

23 March 2001

OST-97-2842-5

US Department of Transportation  
Office of Essential Air Service  
Air Carrier Fitness Division, X-53  
Room 6401  
400 Seventh Street, S.W.  
Washington, D.C. 20590

DEPT. OF TRANSPORTATION  
DOCKETS  
01 APR 25 PM 3:58

Attn: Mr. Dennis DeVany

Dear Mr. DeVany:

Champlain Enterprises Inc. (CEI) would like to submit this letter of support for the attached proposal for air service between the points of Massena and Ogdensburg, NY to Albany, NY. Our proposed service pattern is to offer three direct round trips to Albany each weekday and three direct round trips over each weekend. The proposed annual subsidy is \$1,343,388.

The communities of Massena and Ogdensburg have strongly indicated that service to the state capital of NY would be preferable over the current service to Pittsburgh, PA via Watertown, NY. CEI proposes to meet this demand by offering three well-timed flights to ALB.

CEI will make certain those wishing to travel beyond ALB have the opportunity to do so by attempting to time all flights to connect with Continental Airlines hub service to CLE and EWR via ALB. In addition to CO's presence, at ALB, the community has expressed interest to have access to other airlines servicing ALB as well. In looking at other airline schedules, it is our belief that we will also meet this demand.

Attached are the following:

1. CEI's compensation proposal.
2. CEI's schedule proposal.

I am available at your convenience to discuss our service and subsidy proposal.

Respectfully Submitted,

  
Joel T. Raymond  
Director of Market & Route Schedules

Attachments

Cc: Mr. Jack Sauve, Town Supervisor, Massena, NY  
Mr. Danny Duprey, Town Supervisor, Ogdensburg, NY  
Mr. Ron Brady, Director, Mesa Air Group  
Mr. Jerry Hiller, City Manager, Watertown, NY

CEI  
MSS/OGS-ALB Service Proposal  
March 2001

**ANNUAL**

Total Passengers MSS-ALB	7,322
Total Passengers OGS-ALB	3,139
Total Passengers PLB-ALB	468
Average Fare MSS-ALB	\$105
Average Fare OGS-ALB	\$100
Average Fare PLB-ALB	\$89
Passenger Revenues MSS	\$768,810
Passenger Revenues OGS	\$313,900
Passenger Revenues PLB	\$7,921
Total Passenger Revenues	1,090,631
Freight @ 1% Pax Rev.	\$10,906
<b><u>Total Revenues</u></b>	<b><u>\$1,101,537</u></b>

Block hours @ 97%	2,240 1/
Flights @ 97%	3,632 1/
RMP's	1,706,628

Crew & Training Per Blk Hr.	\$124.30	\$278,432.00
Hull Insurance Per Blk Hr.	\$8.68	\$19,443.20
Fuel & Oil Per Blk Hr.	\$140.76	\$315,302.40
Supplies and Dispatch Per Blk Hr.	\$7.27	\$16,284.80
Maintenance Per Blk Hr.	\$130.70	\$292,768.00
Depreciation Per Blk Hr.	\$117.32	\$262,796.80
<b><u>Total Directs</u></b>		<b><u>\$1,185,027</u></b>

Station MSS		\$240,000
Station OGS		\$240,000
Landing & Aircraft Svcs Per Ldg (ALB)	\$43.18	\$53,889
Landing & Aircraft Svcs Per Ldg (MSS)	\$12.70	\$15,850
Landing & Aircraft Svcs Per Ldg (OGS)	\$12.70	\$15,850
Reservations Per Passenger	\$17.52	\$191,476
Passenger Liability Insurance Per RPM	\$0.005031	\$8,586.05
Marketing & Promotions		\$50,000
Administrative	2.98%	\$59,620.18
<b><u>Total Indirect</u></b>		<b><u>\$875,270</u></b>

<b><u>Total Operating</u></b>	<b><u>\$2,060,297</u></b>
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Interest Expense Per Blk Hr.	\$125.72	\$281,613
Profit	5%	\$103,015

<b><u>Total Economic</u></b>	<b><u>\$2,444,925</u></b>
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<b><u>Annual Subsidy</u></b>	<b><u>\$1,343,388</u></b>
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1/MSS&OGS-ALB: 72 flts./week X 37 min. X 52 weeks X .97/60 = 2240 hrs. ; 3,632 Flights

\*\*There is a need to have this aircraft orig in PLB. PLB-ALB revenue is accounted for in the proposal, as well as the Blk. Hrs and flight segments.